MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2018/2019

DFA5054 – FINANCIAL ACCOUNTING

(All sections / Groups)

28 MAY 2019
9.00 am – 11.00 am
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of **5** pages with **4** questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Part A

Intrend Houz Sdn Bhd is a licensed interior designer based in Petaling Jaya. Below are transactions that occurred in the month of March 2019.

March 1	Invested RM117,000 cash into the business.
2	Purchased supplies amounting RM45,000 on account from DD Company.
5	Paid office rental RM 15,600 for the month.
7	Billed client RM79,000 for interior design service completed.
9	Receive RM10,000 cash advance from Hitower Sdn Bhd for the design of their new office space that will be conducted in April.
12	Received RM14,890 cash for services completed and delivered to Jackson.
15	Received RM13,500 cash from customer in March 7.
17	Paid RM1,350 for utilities expense.
19	Paid to DD Company RM20,000 cash for supplies purchased in March 2.
26	Paid wages to employees RM8,500.

Instructions

(a) Journalise the above transactions for Intrend Houz Sdn Bhd. (10 Marks)

(b) Post the journal entries to ledger (T-accounts) for the following account: Cash Account, Account Receivable Account and Service Revenue Account. (8 Marks)

Part B

Below are the selected ledger balances extracted from Acasia Enterprise financial data as of 31 January 2019.

Account Title	RM	Account Title	RM
Cash	2,520	Sales Revenue	5,400
Account Receivable	3,060	Advertising Expense	1,275
Account Payable	1,980	Salaries and Wages Expense	2,340
Supplies	950	Owner's Capital	4,065
Notes Payable	1,150	Owner's Drawing	1,800
Unearned Revenue	850	Prepaid Rent	1,500

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Instruction

Prepare the Trial Balance for Acasia Enterprise as at 31 January 2019. (7 Marks)

[TOTAL 25 MARKS]

QUESTION 2

Presented below are the account balances after adjustments for Yashida Company at 31 December 2018.

Accounts	Debit (RM)	Credit (RM)
Cash	51,272	
Equipment	45,220	
Accumulated Depreciation – Equip		22,746
Accounts Receivable	55,998	
Prepaid Insurance	4,318	
Supplies	3,314	
Accounts Payable		33,524
Salaries and Wages Payable		18,360
Unearned Sales Revenue		3,144
Unearned Rent Revenue		1,172
Service Revenue		115,304
Rent Revenue		11,322
Owner's Capital		62,542
Insurance Expense	15,402	
Depreciation Expense	4,998	
Salaries and Wages Expense	81,524	
Advertising Expense	6,068	
	268,114	**268,114**

Instructions

(a) Prepare the closing entries for the month of 31 December 2018. (10 Marks)

(b) Prepare the post- closing trial balance for the month of 31 December 2018. (6 Marks)

(c) Identify and briefly explain the **FOUR (4)** types of adjustment based on the above accounts balance after adjustments. (4 Marks)

(d) There are nine steps involved in the accounting cycle. Identify the first **FIVE (5)** steps of the accounting cycle. (5 Marks)

[TOTAL 25 MARKS]

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QUESTION 3

Part A

Sara Abdul started her merchandise business of selling girl accessories 5 years back right after she graduated from business school. During February 2019, Sara's business; Sara A Company had 10,000 units of inventory at a total cost of RM500,000. Below are the transactions for Sara A Company for the month of February 2019.

Feb 1	Purchased 1,080 units of accessories on account for RM50 each from Glitter Supplier, terms 2/10, n/30.
2	Returned 162 units of defective accessories to Glitter Supplier amounting RM8,100.
3	Sold 810 units of accessories on account to Sweet Company for RM100 each, FOB shipping point. The appropriate party also paid RM150 for freight on this date.
9	Paid Glitter Supplier in full.
10	Sweet Company returned 54 units of accessories amounting RM5,400 that cost RM50 each.
14	Received payment in full from Sweet Company.
15	Purchased 648 units of accessories on account for RM50 each from Pastel Company, FOB shipping point, term 3/10, n/30. The appropriate party also made a cash payment of RM310 for freight.
18	Returned 32 units of accessories to Pastel Company amounting RM1,600.
21	Sold 594 units of accessories on account to Bubu Company for RM135 each, FOB Destination, terms 1/10, n/30. The appropriate party also made a cash payment of RM150 for freight on this date.
23	Paid Pastel Company in full.
25	Bubu Company returned 12 units of damaged accessories for RM1,620 that cost RM50 each.

Instruction

Journalise the above transactions using the perpetual inventory system. (18 Marks)

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Part B

Answer the following independent questions.

(a) There are two different treatment for freight costs in merchandising. Differentiate between the term FOB Shipping Point and FOB Destination. (4 Marks)

(b) Give any **TWO (2)** examples for other revenues and gains and **ONE (1)** example for other expenses and losses. (3 Marks)

[TOTAL 25 MARKS]

QUESTION 4

Part A

Financial statements are essential mechanism used to analyse a company's performance. Management utilises several tools of analysis to determine a company's financial condition and make decisions to improve their company performance.

Instructions

Identify the **THREE (3)** tools to evaluate and analyse financial statements. Briefly explain each of the analysis tool. (6 Marks)

Part B

Presented below are the comparative Statement of Financial Position of Ombre Company for fiscal year 2018.

Ombre Company **Statement of Financial Position as at 31 December**		
	2018 (RM)	**2017 (RM)**
Assets		
Property, plant and equipment (net)	600,000	573,000
Current assets	480,000	492,000
Intangible assets	375,000	420,000
Total assets	**1,455,000**	**1,485,000**
Stockholders' equity	343,500	330,900
Liabilities		
Non-current liabilities	720,000	741,000
Current liabilities	391,500	413,100
Total stockholders' equity and liabilities	**1,455,000**	**1,485,000**

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Instructions

(a) Prepare a horizontal analysis by using year 2017 as a base. (9 Marks)

(b) Prepare a vertical analysis for year 2018. (5 Marks)

(c) Compute current ratio for both years. (3 Marks)

(d) Provide **TWO (2)** examples of solvency ratio. (2 Marks)

[TOTAL 25 MARKS]

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